



CONNECTICUT

**TESTIMONY OF
NATIONAL FEDERATION OF INDEPENDENT BUSINESS
BY
ANDY MARKOWSKI, CONNECTICUT STATE DIRECTOR
OPPOSING Sections 1 through 12 of HB-5009 ("expansion of health insurance benefits"),
&
SUPPORTING Sections 13 through 16 of HB-5009 ("wellness programs")
AAC WELLNESS PROGRAMS & EXPANSION OF HEALTH INSURANCE BENEFITS
BEFORE THE INSURANCE & REAL ESTATE COMMITTEE
FEBRUARY 11, 2010**

The National Federation of Independent Business (NFIB), Connecticut's and the nation's leading small-business association, respectfully submits the following comments regarding HB-5009, An Act Concerning Wellness Programs & Expansion Of Health Insurance Benefits:

A non-profit, non-partisan organization, NFIB is Connecticut's and the nation's leading small-business advocacy association. In Connecticut, NFIB represents thousands of small- and independent- business owners and their workers involved in all types of industry. In short, NFIB represents the small, "Main Street", "Mom & Pop" business owners from across our state. On behalf of those small- and independent- employers in Connecticut, I urge you to oppose Sections 1 through 12 of HB-5009 concerning an "expansion of health insurance benefits" and to support sections 13 through 16 of the bill concerning "wellness programs".

Though each small business is distinct and makes its own unique contribution to Connecticut's economy, there is one thing all small-business owners have in common: A serious concern about affordability of health insurance premiums. While parts of HB-5009 (Sections 13 through 16) are a step in the right direction to help alleviate some of those pressures faced by small business owners, other parts of this bill move in completely the wrong direction (Sections 1 through 12) by imposing new mandated benefits which will drive up the cost of health insurance, particularly for those small businesses with fewer than 50 employees.

Rising health insurance costs are one of the top issues facing Connecticut's small-business owners today, and those concerns are growing according to NFIB members. Small-business owners continue to struggle with annual, double-digit insurance premium increases that make providing and maintaining coverage more and more difficult. NFIB/Connecticut will continue to advocate for policies that makes healthcare more affordable for small business owners and their employees. In doing so, our top three priorities are addressing costs, choice and competition. Specifically, small businesses need lower prices, an easier way to shop for insurance and more choices when buying insurance plans.

While mandates make health insurance more comprehensive, they also make it more expensive. Mandates require insurers to pay for care consumers may have previously funded

out of their own pockets, thereby raising premiums to cover the increased claims the insurer anticipates to take place as a result of the mandate. Some mandates obviously have a much greater impact on the cost of health insurance than others; and while we are aware of the recent Insurance Department study that concluded the cost increase of similar legislation from last session would have been 72 cents a month for every policy holder, even *nominal* increases in premiums directly impact small business owners and *contribute* to the overall expense of health insurance. In some markets, mandated benefits increase the cost of health insurance by as much as 45 percent. Mandates, regardless of the form they take or how well intentioned, drive up the cost of health insurance, especially in the small (2-50) employee market.

Small-business owners want to and do offer health care plans that cover a wide variety of benefits such as preventive care and cancer screenings. Providing these types of benefits is important to the productivity of NFIB members and their employees. While NFIB/Connecticut supported and applauded the efforts of this committee in 2009 in passing a bill that ultimately became P.A. 09-179, *AN ACT CONCERNING REVIEWS OF HEALTH INSURANCE BENEFITS MANDATED IN THIS STATE*, small business owners still feel that this legislation, though a landmark step in the right direction, did not go far enough. Small business owners suggest, for example, that all mandates, new and existing, be subject to a high-level of review and scrutiny for their financial impact and their medical necessity. Before the state legislature passes a new mandate, it should require a comprehensive cost analysis to assess the mandate's likely impact on health insurance premiums. As of 2006, at least 28 states conduct state mandated benefit studies. Also, as of 2006, at least 10 states provided for "mandate-lite" policies, which allow an individual to purchase a policy with fewer mandates more tailored to his or her needs and financial situation.

Small business in Connecticut generally supports the concept of wellness programs; however, in order for such programs to truly be effective, they must be available to *ALL* small businesses, including sole proprietors and the self-employed. Unfortunately, it appears that HB-5009 falls short of this effectiveness by only applying to "group health insurance" (See Section 13, line 300). NFIB/Connecticut suggests amending line 300 to remedy this discrepancy.

Thank you for your consideration of our comments.